



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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June 13, 1995

William D. Moeller
American Consolidated Mining Company
70 West Canyon Crest Road, Suite D
Alpine, Utah 84004

Re: Notice of Intention to Commence Small Mining Operations, Gold Hill Mill Project,
S/045/091, Tooele County, Utah

Dear Mr. Moeller:

Thank you for your Notice of Intention to Commence Small Mining Operations, received by the Division on May 25, 1995. The application for the proposed milling operation, located in the SE 1/4, of the SE 1/4, of the SE 1/4 of Section 35, T 7 S, R 18 W, SLBM, Tooele County, Utah is complete and no additional information is required at this time.

It is noted that the ore to be processed is coming from the Herat Mine filed under Small Mining Notice, file number S/045/023 approved on 4/07/88. This notice is complete and as such needs no modification at this point in time. Any modifications or increases in disturbance must be noted in the Annual Reports.

The Clifton Exploration project, file number E/045/052, has been bonded for \$17,600. This bond was escalated to 1995 dollars and is under review to escalate the amount to the year 2000. In our phone conversation on June 6, 1995, it was requested that you submit a detailed map showing any trenches, pad or road areas which you stated have been reclaimed so an accurate bond estimate can be calculated. You stated that you could complete this task within thirty days. A Division inspection will be needed to verify the release of reclaimed areas. The Division requests that American Consolidated provide justification for using the remainder of the disturbed areas for future mining. Division rules require that exploration disturbance be reclaimed within two years unless the requirements of R647-2-102 are met.

For your reference, I have enclosed copies of our summarized rules regarding "Operation and Reclamation Practices", and the statutory penalty for failure to reclaim a minesite (SMO-1). Please give special consideration to item #10 of the "Operation and Reclamation Practices. Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

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Should you wish to expand your operation beyond the five (5) acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements.

A Memorandum of Understanding between this Division and the State Department of Environmental Quality (DEQ) requires us to notify them upon receipt of a mining application. If you haven't already done so, you are advised to contact their office prior to starting your small mining operation to determine whether additional permits and/or approvals are required. We will forward a copy of this letter and your notice to the DEQ for their review. Their address and phone number is: Department of Environmental Quality, 288 North 1460 West, Salt Lake City, Utah, 84116, (801) 538-6146.

Approval of mineral exploration or mining operations by the Division of Oil, Gas and Mining does not constitute approval to commence operations upon lands under state mineral leases administered by the School and Institutional Trust Lands Administration/school sections. Before conducting mining operations on state leased lands, the operator must provide formal written notification, meet bonding requirements, and obtain written approval from the School and Institutional Trust Lands Administration. Please contact them for their requirements. Their address is: School and Institutional Trust Lands Administration, 355 West North Temple, Suite 400, Salt Lake City, Utah 84180-1204; phone number (801) 538-5508.

Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. Best wishes with your mining operation.

Sincerely,



Thomas Munson
Reclamation Specialist

jb
Enclosure
cc: Kiran Bhayani, DWQ w/NOI
Roger L. Bon, UGS
Minerals File
S/045/023
E/045/052
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